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FM AMEMBASSY KUALA LUMPUR

TO RUEHC/SECSTATE WASHDC IMMEDIATE 0833

INFO RUEHRL/AMEMBASSY BERLIN IMMEDIATE 0175

RUEHLO/AMEMBASSY LONDON IMMEDIATE 0418

RUEHFR/AMEMBASSY PARIS IMMEDIATE 0198

RUEHBY/AMEMBASSY CANBERRA IMMEDIATE 2525

RHHMUNA/USCINCPAC HONOLULU HI IMMEDIATE

RUEHUNV/USMISSION UNVIE VIENNA IMMEDIATE 0121

RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 1063

RHEHNSC/NSC WASHDC IMMEDIATE

RUEKJCS/SECDEF WASHDC IMMEDIATE

RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY

C O N F I D E N T I A L KUALA LUMPUR 000286

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STATE FOR ISN, T, IO AND EAP

E.O. 12958: DECL: 04/18/2018

TAGS: PARM PREL ETTC IR MY

SUBJECT: MALAYSIA HAS NOT STOPPED IRAN AT ARMS SHOW

REF: A. KUALA LUMPUR 274 - MINDEF SAYS NO IRAN

1B. KUALA LUMPUR 269 - IRAN AT ARMS SHOW

1C. STATE 39049

Classified By: Political Section Chief Mark D. Clark reasons 1.4 (b and d).

11. (C) Summary: The Malaysian Foreign Ministry on April 18 blocked the Defense Ministry's efforts to exclude Iran from the Defense Services Asia (DSA) military sales exhibition. The Embassy submitted a diplomatic note, and carried out a joint demarche with the UK and France at the Foreign Ministry, which met with an angry response. At this point, it appears the Malaysian government has not stopped Iranian entities from joining DSA and Iranian entities are still listed by DSA as exhibitors. End Summary.

12. (C) According to the information available to us, the Malaysian Defense Ministry issued a written "recommendation" late on April 17 that Iranian entities not be permitted to participate in DSA (ref A). Private DSA organizers began acting on that basis on the morning of April 18, and informed Iranian officials accordingly. Iranian officials reportedly intervened with the Malaysian Foreign Ministry, and the Foreign Ministry did not support the Defense Ministry's position. The Foreign Ministry reportedly argued that Malaysia did not have a strong basis for reversing the decision and excluding Iran. Because of lack of consensus between the Defense Ministry and the Foreign Ministry, we understand there is no formal Malaysian government position to stop Iran's participation in DSA.

13. (C) The Ambassador, DCM, polchief, DATT and others lobbied Defense and Foreign Ministry officials during the course of April 18. The Embassy also sent a diplomatic note to the Foreign Ministry in which we reiterated highlights from the non-paper (ref C) and requested Malaysian government action to prevent Iranian entities from participating in DSA (text sent to EAP/MTS).

14. (C) Taking advantage of a pre-scheduled event at the Foreign Ministry on April 18, Embassy poloff joined British and French DCMs in a joint demarche on the Foreign Ministry's Undersecretary for Disarmament and Non-Proliferation Bala Chandran Tharman. The British DCM underlined that Iran's participation would clearly violate the letter and spirit of UNSCR 1747, while the French DCM stressed that from a political perspective the invitation undermined the

negotiating process and efforts to bring collective international pressure on Iran. Poloff emphasized that the USG fully shared these concerns and noted that the Embassy had conveyed a diplomatic note to this effect. Bala Chandran said he was fully knowledgeable concerning the UN resolutions and also aware of all elements of Iran's participation in the arms show, and he saw no breach of the UNSCRs. Departing angrily from customary diplomatic language, Bala Chandran further expressed strong irritation over what he characterized as excessive, overly demanding interventions, especially from the British side, regarding this matter. Bala provided no indication the Foreign Ministry would change its position on DSA.

¶5. (C) As of late on April 18, the Malaysian government has not prohibited Iranian entities from DSA, per senior Defense and Foreign Ministry officials. Four Iranian exhibitors remain listed on the DSA website.

¶6. (C) Embassy intends to continue lobbying senior officials in the Defense Ministry with the understanding that the Defense Ministry might have the final say in the Iran DSA matter.

KEITH